

State of Missouri Office of Secretary of State

Case No. AP-09-24

IN THE MATTER OF:

THE DUNCAN GROUP
THE DUNCAN GROUP, LLC
THE DUNCAN GROUP INVESTMENTS, LLC
THE DUNCAN GROUP EQUITY PARTNERS, LLC
AARON DUNCAN

Respondents.

Serve all at:

390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL PENALTIES AND AWARDING COSTS

On November 24, 2009, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), by and through Roumen Manolov, Deputy Chief Counsel, submitted a Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs as to All Respondents (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law, and order:

PROCEDURAL BACKGROUND

1. On June 1, 2009, the Enforcement Section submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed in the above-styled matter.
2. On June 12, 2009, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed (the "C&D Order").
3. On October 21, 2009, all Respondents were promptly served with a copy of the Order by the St. Louis County Sheriff's Office.
4. The Respondents did not request a hearing in this matter or otherwise contact or communicate with the Commissioner.
5. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist as to all Respondents in this matter.

6. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring the Respondents to pay, jointly and severally, costs of the investigation in this matter in the amount of seven thousand five hundred dollars (\$7,500).
7. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008).
8. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Aaron Duncan for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2008).
9. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2008).
10. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2008).
11. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2008).
12. In the Petition, the Enforcement Section requested that the Commissioner impose upon the Respondents civil penalties in the maximum allowable amount under the Missouri Securities Act based on the following factors or due to the following circumstances:
 - a. Respondents' actions were egregious and recurrent;
 - b. The scheme caused millions of dollars of harm to Missouri investors, some of whom lost their life savings;
 - c. Respondents provided false and misleading information to these investors and failed to make adequate disclosure to them on multiple occasions; and
 - d. Respondent Aaron Duncan used investor funds for his own benefit

FINDINGS OF FACT

13. The Commissioner adopts and incorporates the Findings of Facts, paragraphs 1-82, in the C&D Order.

CONCLUSIONS OF LAW

14. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 99-

121, in the C&D Order.

15. This Order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003.

ORDER

NOW, THEREFORE, it is hereby **ORDERED** that:

- A. The Cease and Desist Order entered in Case Number AP-09-24 on June 12, 2009, is **FINAL** as to all Respondents.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), Respondent Aaron Duncan shall pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), Respondent Aaron Duncan shall pay a civil penalty in the amount of four thousand dollars (\$4,000) to the State of Missouri for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2008). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), Respondent Aaron Duncan shall pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) to the State of Missouri for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2008). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2008), Respondent Aaron Duncan shall pay, within thirty (30) days from the date of this Order, the additional sum of seven thousand five hundred dollars (\$7,500) as reimbursement for costs of the investigation and administration of this matter. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent shall deliver this payment to the Securities Division, 600 West Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(f), RSMo. (Cum. Supp. 2008), this matter shall be

referred to the Missouri Attorney General's Office to collect the penalties and costs described in this Order, as necessary.

G. Respondents shall pay their own costs and attorney's fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 4TH DAY OF FEBRUARY, 2010.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES



State of Missouri
Office of Secretary of State

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of February, 2010, copies of the foregoing Order and Notice in the above-styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

The Duncan Group
390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

The Duncan Group, LLC
390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

The Duncan Group Investments, LLC
390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

The Duncan Group Equity Partners, LLC

390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

Aaron Duncan
390 South Woodsmill Road
Suite 160
Chesterfield, Missouri 63017

And hand delivered to:

Roumen Manolov
Deputy Chief Counsel
Securities Division

John Hale, Specialist